



Single Process Initiative (SPI)

Past History & Current Role in DoD Acquisition Reform

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SPI Background

- SECDEF LTR 29 JUN 94 - Transition to a New Way of Doing Business (Through Business Streamlining)
- Revised SECDEF LTR 6 DEC 95 - Targeted Block Changes on Existing Contracts as a means for Streamlining
- USD(A&T) 8 DEC 95 LTR Provided Guidance for Elimination of Redundant Facility Practices (SPI Initiated)
- (DCMC) is Identified as Lead Administrator for Program Coordination
- Services / NASA / FAA / Industry are all participants

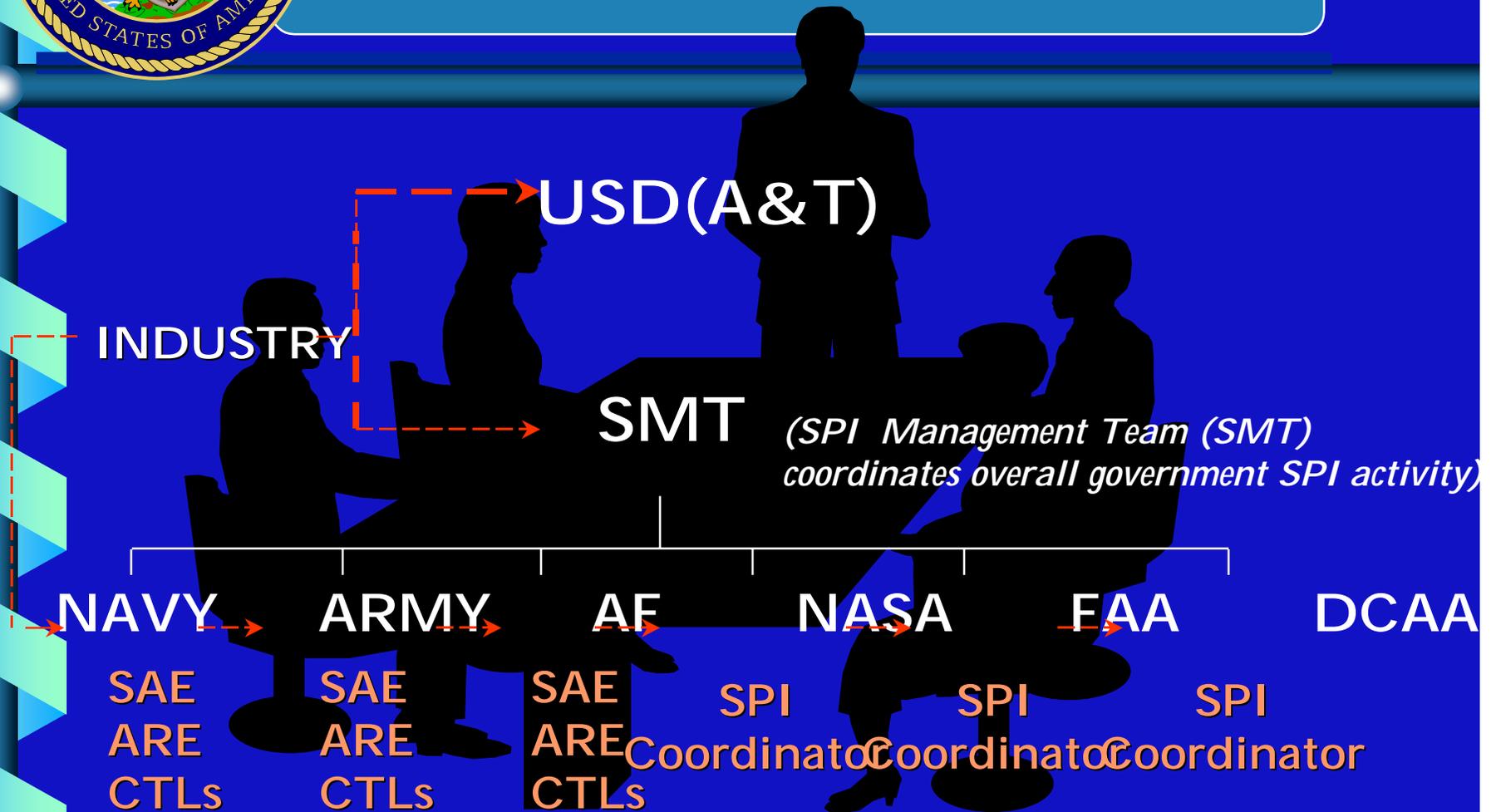


Program Structure

- >OSD(A&T) Overarching DoD acquisition reform manager
- >DCMC assembled management team consisting of Service, FAA, NASA, Industry representatives
- >Charter developed for Block Change Management Team (BCMT)
- >120 day Block Change Process developed
- >PEOs notified of initiative
- >SPI begins in earnest FY96



SPI MANAGEMENT





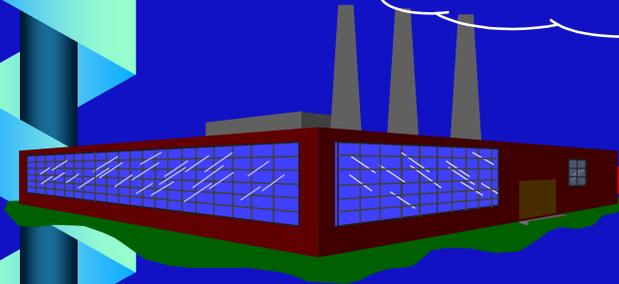
What is SPI?

- > Means to consolidate similar business/manufacturing practices on existing contracts across the services and other government agencies (by facility)
 - payoff in reduced admin/manufacturing prices
 - better, faster, cheaper products
 - reduced government oversight
 - partnering with industry
- > SPIs handled at local facility(ies) only-- on case by case basis
- > Early successes reaped direct savings to government & industry
- > Major industry participants championed SPI as means to partner with government



Single Process Initiative (SPI)

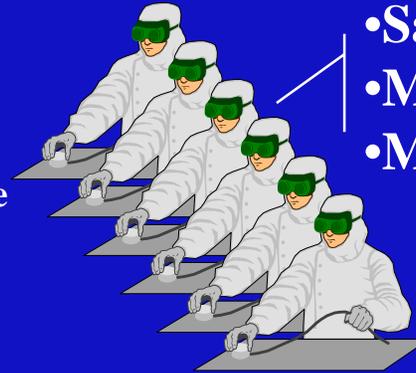
“Business as Usual”



Navy Process

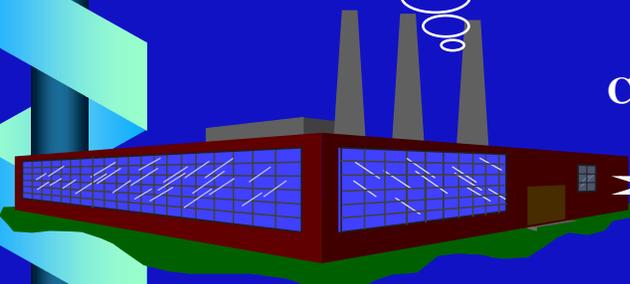
Air Force Process

Army Process



- Same Function
- Multiple Processes
- More Cost

SPI



Common Process

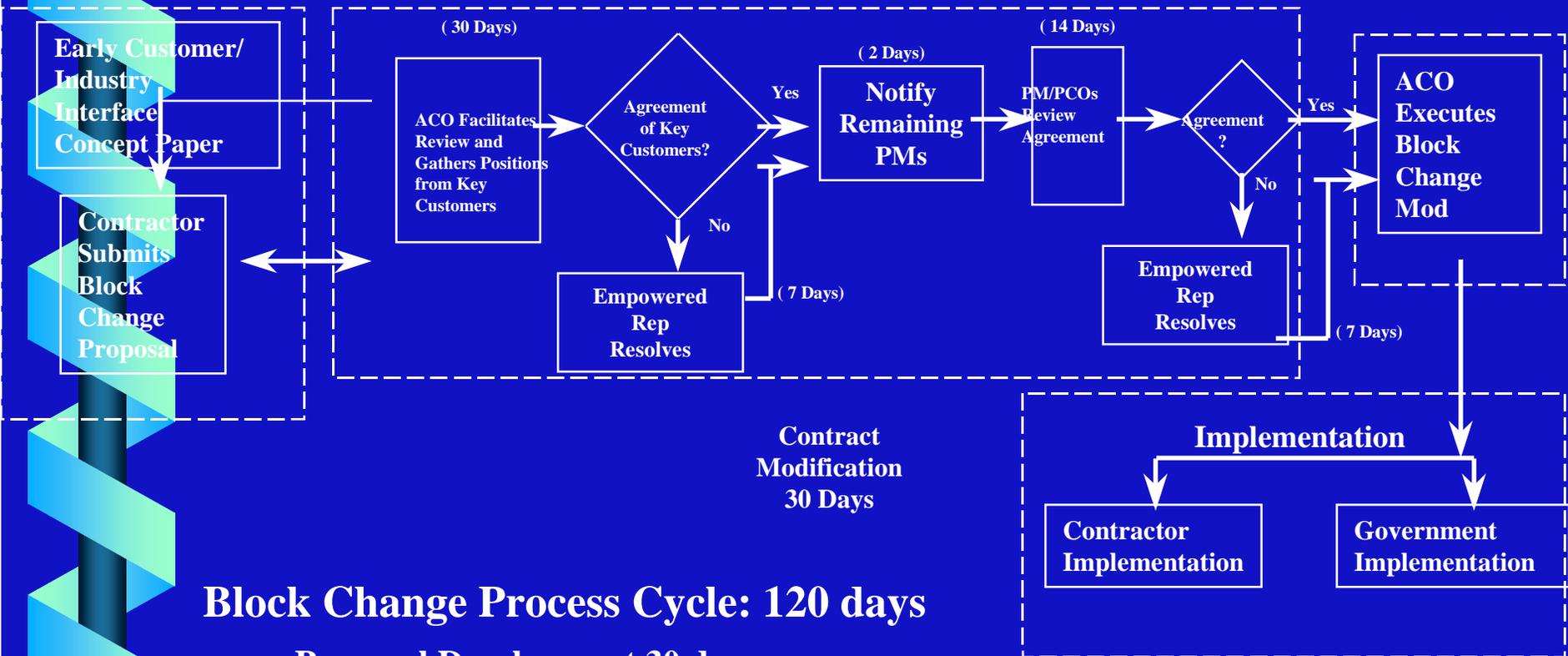
Navy
Army
Air Force



- Same Function
- Common Process
- Best Practices
- Cost Savings 



SPI Process



Block Change Process Cycle: 120 days

- Proposal Development 30 days
- Approval 60 days
- Contract Mod 30 days

Implementation



Transition Phase 1

- > Incorporate SPIs into “New” and “Re-procurements” vice existing contracts only
- > Move away from facility specific SPIs to include all facilities
- > Include Subcontractors in SPI process
- > Include Laws & Regulatory SPI proposals
- > Focus on \$ savings



Transition Phase 2

- > SPI "Corporate Philosophy" Developed to Maximize SPI Efficiency/Benefits
 - included all facilities within a corporation
 - "build anywhere mentality"
- >Corporate Management Councils Established
- >Greater emphasis on Subcontractor / Supplier participation
- >More Technical/Complicated (higher risk) SPIs submitted by industry



Transition Phase 3

>SPI identified as vehicle for Civil Military Integration (CMI) by USD(A&T) to;

“achieve the integration of commercial and military facilities”

>SPI Executive Council established as forum for senior level Gov/Industry to Discuss Issues and Expedite Resolution of SPI Problems

>De-emphasis on Direct Savings

>Emphasis on Business / Manufacturing Efficiencies & Partnering



Current Issues

- SPI workshop action items
- Define Common DoD Escalation Process
- Research and disposition of Overage SPIs
- Maintain program momentum
- Coordinate related IPT/RIT Navy participation
- Coordinate Navy SYSCOM participation



Program Achievements

(As of June 99)

- Approximately 1200 Block Change Mods
- \$500M Savings and Future Cost Avoidance
 - \$30, 635, 004 (*DOD-Wide direct savings*)
 - \$468, 263, 229 (*Estimated Cost Avoidance - Future DOD Contracts*)
- Partnering with Industry
 - fosters “win-win” environment
 - strengthens industrial base
 - moves towards performance based acquisition practices



Shortfalls

- >Of 25,000 DoD Prime Contractors, Only 300 participate in SPI
- >Supplier Participation still Unsatisfactory
- >Support of SPI is Compliance-based vs. Commitment based within DoD community
- >Incentives-"Big Picture" not obvious to Program Offices
- >Barriers Remain in Changing Acquisition Culture



What is Needed?

- >Renewed DoD Commitment
- >Shared Vision
- >Education of Program Office
& Acquisition Personnel



How Do We Improve SPI?

- >Promote Better Understanding of CMI & DoD AR Goals
- >Remove Existing Barriers to SPI Through Education
- >Promote Team Philosophy of AR versus “What’s in it for Me” Mentality
- >Continue to Commit Resources to Execute SPI
- >Ensure that DoD Participants know that SPI “Works”



Future Expectations

- >More Corporate Management Councils & Corporate Involvement
- >Lesser Role for Local Management Councils
- >More Intervention & Problem Resolution by SPI Executive Council
- >More Progress Towards Performance Based Acquisitions and far less Government Oversight

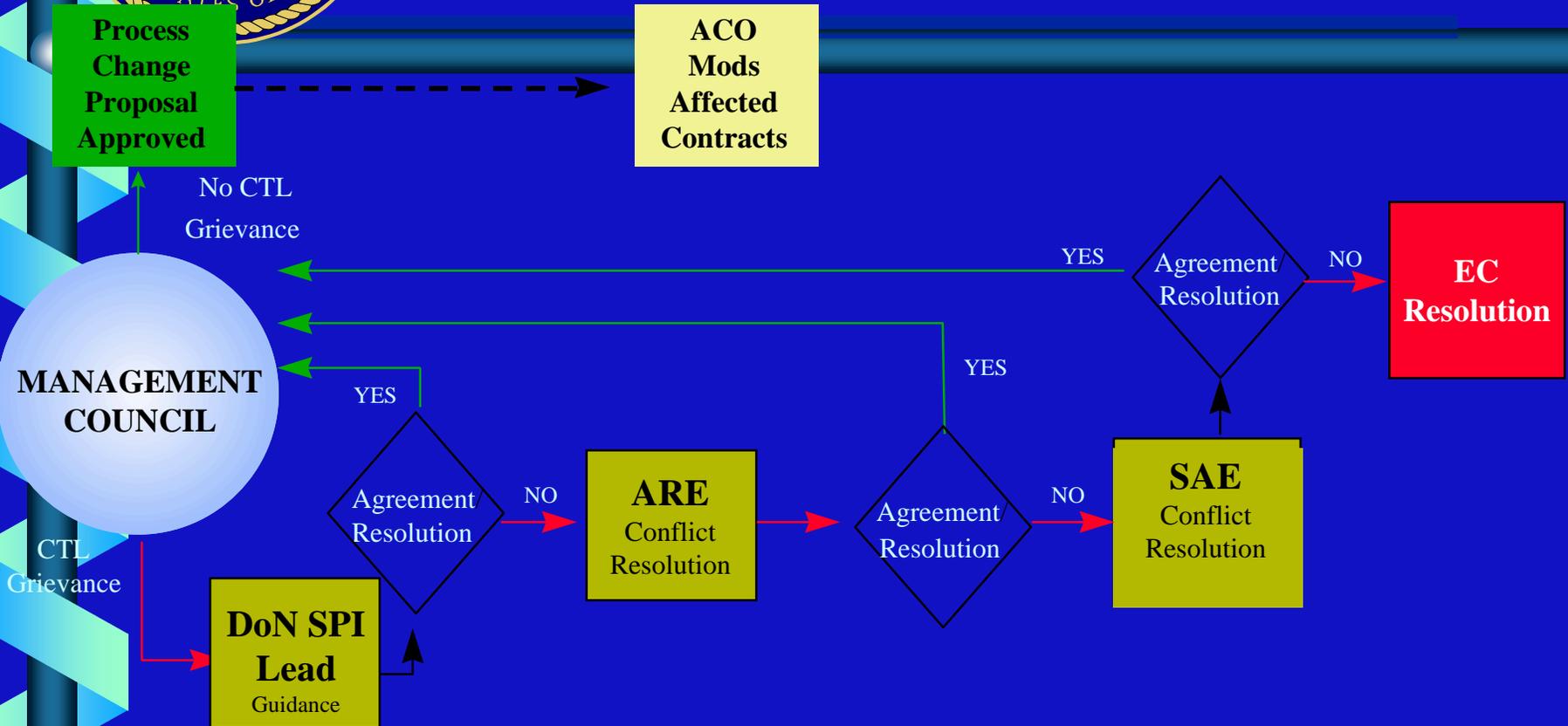


Program Support Role

- ARO Standardization Officer assumes lead role as primary Navy SPI POC
 - Attend decision making meetings
 - Senior level briefings, meetings, and IPTs
 - SPI Executive Council support
 - First level of concept paper escalation
 - Customer problem / issue resolution



Navy SPI Escalation Process



**CTL has authority to challenge approval of process change if it adversely impacts safety, performance, technical, or other factors which puts the government at risk*



Civil Military Integration (CMI)

“Process of uniting the Defense Technology & Industrial Base (DTIB) and the larger Commercial Technology & Industrial Base (CTIB) into a unified National Technology & Industrial Base (NTIB)”

Source: Office of Technology Assessment 1994

- Remove the Distinctions between Civil and Military Industry
- Capitalizes on the use of Commercial Practices & Innovation
- Reduces Cost of Existing and Future DoD Contracts